

105TH CONGRESS
2D SESSION

H. R. 3851

To amend the Federal Election Campaign Act of 1971 to provide for expenditure limitations and public financing for House of Representatives general elections, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 13, 1998

Mr. OBEY introduced the following bill; which was referred to the Committee on House Oversight, and in addition to the Committees on Ways and Means, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Federal Election Campaign Act of 1971 to provide for expenditure limitations and public financing for House of Representatives general elections, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; FINDING.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Let the Public Decide Campaign Finance Reform Act”.

6 (b) FINDING.—The Congress finds that the existing
7 system of private political contributions has become a fun-

1 damental threat to the integrity of the national election
 2 process and that the provisions contained in this Act are
 3 necessary to prevent the corruption of the public's faith
 4 in the Nation's system of governance.

5 **TITLE I—EXPENDITURE LIMITA-**
 6 **TIONS AND PUBLIC FINANC-**
 7 **ING FOR HOUSE OF REP-**
 8 **RESENTATIVES GENERAL**
 9 **ELECTIONS**

10 **SEC. 101. NEW TITLE OF FEDERAL ELECTION CAMPAIGN**
 11 **ACT OF 1971.**

12 The Federal Election Campaign Act of 1971 (2
 13 U.S.C. 431 et seq.) is amended by adding at the end the
 14 following new title:

15 **“TITLE V—EXPENDITURE LIM-**
 16 **TATIONS AND PUBLIC FI-**
 17 **NANCING FOR HOUSE OF**
 18 **REPRESENTATIVES GENERAL**
 19 **ELECTIONS**

20 **“SEC. 501. LIMITATION ON EXPENDITURES IN HOUSE OF**
 21 **REPRESENTATIVES GENERAL ELECTIONS.**

22 “A candidate in a House of Representatives general
 23 election may not make expenditures other than as pro-
 24 vided in this title.

1 **“SEC. 502. SOURCES OF AMOUNTS FOR EXPENDITURES BY**
2 **CANDIDATES IN HOUSE OF REPRESENTA-**
3 **TIVES GENERAL ELECTIONS.**

4 “The only sources of amounts for expenditures by
5 candidates in House of Representatives general elections
6 shall be—

7 “(1) the Grassroots Good Citizenship Fund,
8 under section 505; and

9 “(2) additional amounts from State and na-
10 tional party committees under section 506.

11 **“SEC. 503. DISTRICT LIMITATION ON EXPENDITURES BY**
12 **MAJOR PARTY CANDIDATES.**

13 “(a) IN GENERAL.—Except as provided in section
14 506, the maximum amounts of expenditures by major
15 party candidates in House of Representatives general elec-
16 tions shall be based on the median household income of
17 the districts involved, as provided for in subsections (b)
18 and (c).

19 “(b) MAXIMUM FOR WEALTHIEST DISTRICT.—In the
20 congressional district with the highest median household
21 income, maximum combined expenditures for all major
22 party candidates with respect to a House of Representa-
23 tives general election shall be a total of \$1,000,000.

24 “(c) MAXIMUM FOR OTHER DISTRICTS.—In each
25 congressional district, other than the district referred to
26 in subsection (b), the maximum combined expenditures for

1 all major party candidates with respect to a House of Rep-
 2 resentatives general election shall be an amount equal to—

3 “(1) the maximum amount referred to in sub-
 4 section (b), less

5 “(2) the amount equal to—

6 “(A) $\frac{2}{3}$ of the percentage difference be-
 7 tween the median household income of the dis-
 8 trict involved and the median household income
 9 of the district referred to in subsection (b),
 10 times

11 “(B) the maximum amount referred to in
 12 subsection (b).

13 “(d) ALLOCATION.—The maximum expenditure for a
 14 major party candidate in a congressional district shall be
 15 50 percent of the maximum amount under subsection (b)
 16 or (c), as applicable.

17 **“SEC. 504. DISTRICT LIMITATION ON EXPENDITURES BY**
 18 **THIRD PARTY AND INDEPENDENT CAN-**
 19 **DIDATES.**

20 “(a) IN GENERAL.—Except as provided in section
 21 506, the maximum amounts of expenditures by third party
 22 and independent candidates in House of Representatives
 23 general elections shall be the amount allocated under sub-
 24 section (b).

1 “(b) ALLOCATION.—The maximum expenditure for a
2 third party or independent candidate in a congressional
3 district shall be—

4 “(1) the amount that bears the same ratio to
5 the maximum amount under subsection (b) or (c) of
6 section 503, as applicable, as the total popular vote
7 in the district for candidates of the third party or
8 for all independent candidates (as the case may be)
9 bears to the total popular vote for all candidates in
10 the 5 preceding general elections; or

11 “(2) in the case of a candidate in a district in
12 which no third party or independent candidates (as
13 the case may be) received votes in the 5 preceding
14 general elections, the amount corresponding to the
15 number of signatures presented to and verified by
16 the Commission according to the following table:

“20,000 signatures	\$75,000
30,000 signatures	100,000
40,000 signatures	150,000
50,000 signatures	200,000

17 **“SEC. 505. GRASSROOTS GOOD CITIZENSHIP FUND.**

18 “(a) CREATION OF FUND.—There is established in
19 the Treasury a trust fund to be known as the ‘Grassroots
20 Good Citizenship Fund’, consisting of such amounts as
21 may be credited to such fund as provided in this section.

22 “(b) DISTRICT ACCOUNTS.—There shall be estab-
23 lished within the Grassroots Good Citizenship Fund an ac-

1 count for each congressional district. The accounts so es-
2 tablished shall be administered by the Commission for the
3 purpose of distributing amounts under this title.

4 “(c) PAYMENTS TO CANDIDATES.—Subject to sub-
5 section (d), the Commission shall pay to each candidate
6 from the Grassroots Good Citizenship Fund the maximum
7 amount calculated for such candidate under section 503
8 or 504.

9 “(d) INSUFFICIENT AMOUNTS.—If, as determined by
10 the Commission, there are insufficient amounts in the
11 Grassroots Good Citizenship Fund for payments under
12 subsection (c), the Commission may reduce payments to
13 candidates so that each candidate receives a pro rata por-
14 tion of the amounts that are available.

15 “(e) TRANSFERS TO FUND.—There are hereby cred-
16 ited to the Grassroots Good Citizenship Fund amounts
17 equivalent to the amounts designated under section 6097
18 of the Internal Revenue Code of 1986.

19 “(f) EXPENDITURES.—Amounts in the Grassroots
20 Good Citizenship Fund shall be available for the purpose
21 of providing amounts for expenditure by candidates in
22 House of Representatives general elections in accordance
23 with this title.

1 **“SEC. 506. ADDITIONAL AMOUNTS FROM STATE AND NA-**
2 **TIONAL PARTY COMMITTEES.**

3 “(a) CONTRIBUTIONS.—In addition to amounts made
4 available under section 503 or 504, in the case of a can-
5 didate in a House of Representatives general election who
6 is the candidate of a political party, the State and national
7 committees of that political party may make contributions
8 to the candidate totaling not more than 5 percent of the
9 maximum expenditure applicable to the candidate under
10 section 503 or section 504.

11 “(b) EXPENDITURES.—A House of Representatives
12 candidate who is the candidate of a political party may
13 make expenditures of the amounts received under sub-
14 section (a).

15 **“SEC. 507. PUBLIC SERVICE ANNOUNCEMENTS.**

16 “(a) IN GENERAL.—Beginning on January 15, and
17 continuing through April 15 of each year, the Commission
18 shall carry out a program, utilizing broadcast announce-
19 ments and other appropriate means, to inform the public
20 of the existence and purpose of the Grassroots Good Citi-
21 zenship Fund and the role that individual citizens can play
22 in the election process by voluntarily contributing to the
23 fund. The announcements shall be broadcast during prime
24 time viewing hours in 30-second advertising segments
25 equivalent to 200 gross rating points per network per
26 week. The Commission shall ensure that the maximum

1 number of taxpayers shall be exposed to these announce-
2 ments. Television networks, as defined by the Federal
3 Communications Commission, shall provide the broadcast
4 time under this section as part of their obligations in the
5 public interest under the Communications Act of 1934.
6 The Federal Election Commission shall encourage broad-
7 cast outlets other than the above mentioned television net-
8 works including radio to provide similar announcements.

9 “(b) GROSS RATING POINT.—The term ‘gross rating
10 point’ is a measure of the total gross weight delivered. It
11 is the sum of the ratings for individual programs. Since
12 a household rating period is 1 percent of the coverage
13 base, 200 gross rating points means 2 messages a week
14 per average household.

15 **“SEC. 508. DEFINITIONS.**

16 “As used in this title—

17 “(1) the term ‘House of Representatives can-
18 didate’ means a candidate for the office of Rep-
19 resentative in, or Delegate or Resident Commis-
20 sioner to, the Congress;

21 “(2) the term ‘median household income’
22 means, with respect to a congressional district, the
23 median household income of that district, as deter-
24 mined by the Commission, using the most current
25 data from the Bureau of the Census;

1 “(3) the term ‘major party’ means, with respect
2 to a House of Representatives general election, a po-
3 litical party whose candidate for the office of Rep-
4 resentative in, or Delegate or Resident Commis-
5 sioner to, the Congress in the preceding general elec-
6 tion received, as the candidate of such party, 25 per-
7 cent or more of the total number of popular votes
8 received by all candidates for such office;

9 “(4) the term ‘third party’ means with respect
10 to a House of Representatives general election, a po-
11 litical party whose candidate for the office of Rep-
12 resentative in, or Delegate or Resident Commis-
13 sioner to, the Congress in the preceding general elec-
14 tion received, as the candidate of such party, less
15 than 25 percent of the total number of popular votes
16 received by all candidates for such office;

17 “(5) the term ‘independent candidate’ means,
18 with respect to a House of Representatives general
19 election, a candidate for the office of Representative
20 in, or Delegate or Resident Commissioner to, the
21 Congress who is not the candidate of a major party
22 or a third party; and

23 “(6) the term ‘House of Representatives gen-
24 eral election’ means a general election for the office

1 of Representative in, or Delegate or Resident Com-
 2 missioner to, the Congress.”.

3 **TITLE II—AMENDMENTS TO IN-**
 4 **TERNAL REVENUE CODE OF**
 5 **1986**

6 **SEC. 201. DESIGNATION OF OVERPAYMENTS AND CON-**
 7 **TRIBUTIONS FOR GRASSROOTS GOOD CITI-**
 8 **ZENSHIP FUND.**

9 (a) IN GENERAL.—Subchapter A of chapter 61 of the
 10 Internal Revenue Code of 1986 (relating to returns and
 11 records) is amended by adding at the end the following:

12 **“PART IX—DESIGNATION OF OVERPAYMENTS**
 13 **AND CONTRIBUTIONS FOR GRASSROOTS**
 14 **GOOD CITIZENSHIP FUND**

“Sec. 6097. Designation of overpayments for Grassroots Good
 Citizenship Fund.

15 **“SEC. 6097. DESIGNATION OF OVERPAYMENTS FOR GRASS-**
 16 **ROOTS GOOD CITIZENSHIP FUND.**

17 “(a) IN GENERAL.—With respect to each taxpayer’s
 18 return for the taxable year of the tax imposed by chapter
 19 1, such taxpayer may designate that—

20 “(1) a specified portion (not less than \$1 or
 21 more than \$10,000, and not less than \$1 or more
 22 than \$20,000 in the case of a joint return) of any
 23 overpayment of tax for such taxable year, and

1 “(2) any contribution which the taxpayer in-
2 cludes with such return,
3 shall be paid over to the Grassroots Good Citizenship
4 Fund under section 505 of the Federal Election Campaign
5 Act of 1971.

6 “(b) MANNER AND TIME OF DESIGNATION.—A des-
7 ignation under subsection (a) may be made with respect
8 to any taxable year only at the time of filing the return
9 of tax imposed by chapter 1 for such taxable year. Such
10 designation shall be made on the 1st page of the return.

11 “(c) OVERPAYMENTS TREATED AS REFUNDED.—For
12 purposes of this title, any portion of an overpayment of
13 tax designated under subsection (a) shall be treated as
14 being refunded to the taxpayer as of the last date pre-
15 scribed for filing the return of tax imposed by chapter 1
16 (determined without regard to extensions) or, if later, the
17 date the return is filed.”.

18 (b) CLERICAL AMENDMENT.—The table of parts for
19 such subchapter A is amended by adding at the end there-
20 of the following new item:

 “Part IX. Designation of overpayments and contributions for cer-
 tain purposes relating to House of Representatives
 elections.”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 1998.

1 **SEC. 202. INCREASE IN CORPORATE INCOME TAX ON TAX-**
2 **ABLE INCOME ABOVE \$10,000,000.**

3 (a) IN GENERAL.—Paragraph (4) of subsection (b)
4 of section 11 of the Internal Revenue Code of 1986 is
5 amended by striking “35 percent” and inserting “35.1
6 percent”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 subsection (a) shall apply to taxable years beginning after
9 the date of the enactment of this Act.

10 (c) USE OF AMOUNTS RECEIVED.—Amounts received
11 by reason of the amendment made by subsection (a) shall
12 be paid over to the Grassroots Good Citizenship Fund
13 under section 505 of the Federal Election Campaign Act
14 of 1971.

15 **TITLE III—BAN ON USE OF SOFT**
16 **MONEY BY HOUSE CANDIDATES**

17 **SEC. 301. BAN ON USE OF SOFT MONEY BY HOUSE CAN-**
18 **DIDATES.**

19 Title III of the Federal Election Campaign Act of
20 1971 (2 U.S.C. 431 et seq.) is amended by adding at the
21 end the following new section:

22 “BAN ON USE OF NON-REGULATED FUNDS BY HOUSE
23 CANDIDATES

24 “SEC. 323. (a) IN GENERAL.—No funds may be so-
25 licited, disbursed, or otherwise used with respect to any

1 House of Representatives election unless the funds are
 2 subject to the limitations and prohibitions of this Act.

3 “(b) HOUSE OF REPRESENTATIVES ELECTION DE-
 4 FINED.—In this section, the term ‘House of Representa-
 5 tives election’ means any election for the office of Rep-
 6 resentative in, or Delegate or Resident Commissioner to,
 7 the Congress.”.

8 **TITLE IV—INDEPENDENT** 9 **EXPENDITURES**

10 **SEC. 401. BAN ON INDEPENDENT EXPENDITURES IN HOUSE** 11 **OF REPRESENTATIVES ELECTIONS.**

12 (a) IN GENERAL.—Section 315 of the Federal Elec-
 13 tion Campaign Act of 1971 (2 U.S.C. 441a) is amended
 14 by adding at the end the following new subsection;

15 “(i) No person may make any independent expendi-
 16 ture with respect to an election for the office of Represent-
 17 ative in, or Delegate or Resident Commissioner to, the
 18 Congress.”.

19 (b) CLARIFICATION OF DEFINITIONS RELATING TO
 20 INDEPENDENT EXPENDITURES.—

21 (1) IN GENERAL.—Section 301 of such Act (2
 22 U.S.C. 431) is amended by striking paragraphs (17)
 23 and (18) and inserting the following new para-
 24 graphs:

1 “(17) The term ‘independent expenditure’ means an
2 expenditure for a communication (other than a commu-
3 nication which is described in clause (i) or clause (iii) of
4 paragraph (9)(B) or which would be described in such
5 clause if the communication were otherwise treated as an
6 expenditure under this title)—

7 “(A) which is made during the 90-day period
8 ending on the date of a general election for Federal
9 office and which identifies a candidate for election
10 for such office by name, image, or likeness; or

11 “(B) which contains express advocacy and is
12 made without the participation or cooperation of, or
13 consultation with, a candidate or a candidate’s rep-
14 resentative.

15 “(18) The term ‘express advocacy’ means, when a
16 communication is taken as a whole and with limited ref-
17 erence to external events, an expression of support for or
18 opposition to a specific candidate, to a specific group of
19 candidates, or to candidates of a particular political party,
20 or a suggestion to take action with respect to an election,
21 such as to vote for or against, make contributions to, or
22 participate in campaign activity, or an expression which
23 would reasonably be construed as intending to influence
24 the outcome of an election.”.

1 (2) CONTRIBUTION DEFINITION AMEND-
 2 MENT.—Section 301(8)(A) of such Act (2 U.S.C.
 3 431(8)(A)) is amended—

4 (A) in clause (i), by striking “or” after the
 5 semicolon at the end;

6 (B) in clause (ii), by striking the period at
 7 the end and inserting “; or”; and

8 (C) by adding at the end the following new
 9 clause:

10 “(iii) any payment or other transaction referred
 11 to in paragraph (17)(A) that does not qualify as an
 12 independent expenditure under paragraph (17)(B).”.

13 **SEC. 402. BAN ON USE OF SOFT MONEY FOR CERTAIN EX-**
 14 **PENDITURES.**

15 Title III of the Federal Election Campaign Act of
 16 1971 (2 U.S.C. 431 et seq.), as amended by section 301,
 17 is further amended by adding at the end the following new
 18 section:

19 “BAN ON USE OF NON-FEDERAL FUNDS FOR CERTAIN
 20 EXPENDITURES

21 “SEC. 324. (a) IN GENERAL.—No person may dis-
 22 burse any funds for any expenditure described in sub-
 23 section (b) unless the funds are subject to the limitations,
 24 prohibitions, and reporting requirements of this Act.

25 “(b) EXPENDITURES DESCRIBED.—The expenditures
 26 described in this subsection are as follows:

1 “(1) An expenditure made by an authorized
2 committee of a candidate for Federal office or a po-
3 litical committee of a political party.

4 “(2) An expenditure made by a person who,
5 during the election cycle, has made a contribution to
6 a candidate, where the expenditure is in support of
7 that candidate or in opposition to another candidate
8 for the same office.

9 “(3) An expenditure made by a person, or a po-
10 litical committee established, maintained or con-
11 trolled by such person, who is required to register,
12 under section 308 of the Federal Regulation of Lob-
13 bying Act (2 U.S.C. 267) or the Foreign Agents
14 Registration Act (22 U.S.C. 611) or any successor
15 Federal law requiring a person who is a lobbyist or
16 foreign agent to register.

17 “(4) An expenditure made by a person who,
18 during the election cycle, has communicated with or
19 received information from a candidate or a rep-
20 resentative of that candidate regarding activities
21 that have the purpose of influencing that candidate’s
22 election to Federal office, where the expenditure is
23 in support of that candidate or in opposition to an-
24 other candidate for that office.

1 “(5) An expenditure if, in the same election
2 cycle, the person making the expenditure is or has
3 been—

4 “(A) authorized to raise or expend funds
5 on behalf of the candidate or the candidate’s
6 authorized committees; or

7 “(B) serving as a member, employee, or
8 agent of the candidate’s authorized committees
9 in an executive or policymaking position.”.

10 **TITLE V—PROVISIONS RELAT-**
11 **ING TO HOUSE OF REP-**
12 **RESENTATIVES PRIMARY**
13 **ELECTIONS**

14 **SEC. 501. LIMITATION ON EXPENDITURES IN HOUSE OF**
15 **REPRESENTATIVES ELECTIONS OTHER THAN**
16 **GENERAL ELECTIONS.**

17 Section 315 of the Federal Election Campaign Act
18 of 1971 (2 U.S.C. 441a), as amended by section 401, is
19 further amended by adding at the end the following new
20 subsection:

21 “(j)(1) The maximum expenditures for a candidate
22 for the office of Representative in, or Delegate or Resident
23 Commissioner to, the Congress in any election other than
24 a general election may not exceed $\frac{1}{3}$ of the maximum ap-

1 plicable to the candidate in a general election under title
2 V.

3 “(2) For purposes of limitations under this Act, any
4 expenditure by a candidate referred to in paragraph (1),
5 including an expenditure for the preparation, production,
6 or presentation of communications through electronic
7 media or in written form, shall, regardless of when the
8 expenditure is made, be attributed to the appropriate gen-
9 eral election, unless such expenditure is made solely for
10 an election other than a general election.”.

11 **SEC. 502. LIMITATION ON ACCEPTANCE OF LARGE DONOR**
12 **MULTICANDIDATE POLITICAL COMMITTEE**
13 **CONTRIBUTIONS BY HOUSE OF REPRESENTA-**
14 **TIVES CANDIDATES.**

15 Section 315 of the Federal Election Campaign Act
16 of 1971 (2 U.S.C. 441a), as amended by sections 401 and
17 501, is further amended by adding at the end the following
18 new subsection:

19 “(k)(1) A candidate for the office of Representative
20 in, or Delegate or Resident Commissioner to, the Con-
21 gress, and the authorized political committees of such can-
22 didate, may not, with respect to an election other than
23 a general election, accept contributions from large donor
24 multicandidate political committees in excess of 20 percent

1 of the maximum amount which the candidate may expend
 2 with respect to the election under subsection (j).

3 “(2) In paragraph (1), the term ‘large donor multi-
 4 candidate political committee’ means a multicandidate po-
 5 litical committee that accepts contributions totaling more
 6 than \$200 from any single source in a calendar year.”.

7 **TITLE VI—CONSIDERATION OF** 8 **CONSTITUTIONAL AMENDMENT**

9 **SEC. 601. EXPEDITED CONSIDERATION OF CONSTITU-** 10 **TIONAL AMENDMENT.**

11 (a) IN GENERAL.—If any provision of this Act or any
 12 amendment made by this Act is found unconstitutional by
 13 the Supreme Court, the provisions of section 2908 (other
 14 than subsection (a)) of the Defense Base Closure and Re-
 15 alignment Act of 1990 shall apply to the consideration of
 16 a joint resolution described in section 602 in the same
 17 manner as such provisions apply to a joint resolution de-
 18 scribed in section 2908(a) of such Act.

19 (b) SPECIAL RULES.—For purposes of applying sub-
 20 section (a) with respect to such provisions, the following
 21 rules shall apply:

22 (1) Any reference to the Committee on Armed
 23 Services of the House of Representatives shall be
 24 deemed a reference to the Committee on the Judici-
 25 ary of the House of Representatives and any ref-

1 erence to the Committee on Armed Services of the
2 Senate shall be deemed a reference to the Committee
3 on the Judiciary of the Senate.

4 (2) Any reference to the date on which the
5 President transmits a report shall be deemed a ref-
6 erence to the date on which the Supreme Court finds
7 a provision of this Act or an amendment made by
8 this Act unconstitutional.

9 **SEC. 602. CONSTITUTIONAL AMENDMENT DESCRIBED.**

10 For purposes of section 601, a joint resolution de-
11 scribed in this section is a joint resolution proposing the
12 following text as an amendment to the Constitution of the
13 United States:

14 “ARTICLE —

15 “SECTION 1. Congress may provide for reasonable re-
16 strictions on contributions and expenditures in campaigns
17 for election for Federal office as necessary to protect the
18 integrity of the electoral process.

19 “SEC. 2. Congress shall have power to enforce this
20 article by appropriate legislation. No legislation enacted
21 to enforce this article shall apply with respect to any elec-
22 tion held after the last day of the year of the third Presi-
23 dential election held after the date of the enactment of
24 the legislation, unless the period in which such legislation

1 is in effect is extended by an Act of Congress which is
2 signed into law by the President.”.

○